

**Illinois Department of Revenue  
Regulations**

<b>Title 86 Part 435 Section 435.120 Charitable Games Licenses</b>
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**TITLE 86: REVENUE**

**PART 435  
CHARITABLE GAMES ACT**

**Section 435.120 Charitable Games Licenses**

- a) Eligibility. To be eligible for a charitable games license, an applying organization must have been organized in Illinois and must satisfy each of the following conditions of eligibility:
  - 1) *The organization must be a charitable, religious, fraternal, veterans, labor, or educational organization or institution organized and conducted on a not-for-profit basis with no personal profit inuring to anyone as a result of the operation and which is exempt from federal income taxation under Section 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(8), 501(c)(10), or 501(c)(19) of the Internal Revenue Code, a veterans' organization as defined in the Bingo License and Tax Act [230 ILCS 25], an auxiliary of a veteran's organization (Section 2 of the Act), or a local fraternal mutual benefit organization chartered at least 40 years before it applies for a license.*
    - A) For an organization to be considered charitable for purposes of obtaining a charitable games license, its activities must benefit an indefinite number of persons; it must have no capital, capital stock, or shareholders; its funds must be derived mainly from private and public charity and be held in trust for the objects and purposes expressed in its charter; it must dispense charity to all who need and apply for it; and it must place no obstacles in the way of those seeking the benefits.
    - B) For an organization to be considered educational for purposes of obtaining a charitable games license, it must be organized and operated to provide systematic instruction in useful branches of learning by methods common to schools and institutions of learning which compare favorably in their scope and intensity with the course of study presented in tax-supported schools.
    - C) For an organization to be considered religious for purposes of obtaining a charitable games license, it must be a church, congregation, society, or organization founded for the purpose of religious worship.
    - D) For an organization to be considered fraternal for purposes of obtaining a charitable games license, it must be a civic, service or charitable

organization, not for pecuniary profit, which is a branch, lodge or chapter of a national or State organization and exists for the common business, brotherhood, or other interest of its members. This does not include a college or high school fraternity or sorority.

- E) For an organization to be considered labor for purposes of obtaining a charitable games license, it must be composed of labor unions or workers organized with the objective of betterment of the conditions of those engaged in such pursuit and the development of a higher degree of efficiency in their respective occupations.
  - F) For an organization to be considered a veteran's organization for purposes of obtaining a charitable games license, it must be comprised of members of which substantially all are individuals who are veterans or spouses, widows or widowers of veterans, the primary purpose of which is to promote the welfare of its members and to provide assistance to the general public in such a way as to confer a public benefit.
- 2) *The organization must have had a bona fide membership engaged in carrying out its objects for at least the entire five-year period immediately preceding application* (Section 3 of the Act). However, this five-year requirement shall not apply with regard to the following two types of organizations:
- A) An organization which has had a bona fide membership engaged in carrying out its objectives for at least the entire two-year period immediately preceding application, and which *is affiliated with and chartered by a national organization which meets the five-year requirement* (Section 3 of the Act).
  - B) A charitable organization created by a fraternal organization which meets the five-year requirement, and which has the same officers and directors as the fraternal organization. *"Fraternal Organization" means a civic, service or charitable organization in Illinois, except a college or high school fraternity or sorority, not for pecuniary profit, which is a branch, lodge or chapter of a national or Illinois organization and exists for the common business, brotherhood, or other interest of its members* (Section 3 of the Act).
- 3) *Auxiliary organizations of a licensee shall not be eligible for a license to conduct charitable games, except for auxiliary organizations of veterans organizations* (Section 4 of the Act). An "auxiliary organization" is one which exists to assist or support an affiliated organization.
- b) Applications. Application for a charitable games license must be prepared by the prospective licensee or its duly authorized representative only on the forms prescribed by the Department, and must be accompanied by a license fee of \$200. A duly authorized representative is a person who has filed a power of attorney with the Department. Information requested of an applicant shall include, but not be limited to, name, mailing address, description of organization, information regarding the organization's officers and signatures. The Department will not consider applications

which are not complete or which are not accompanied by the information described below. *Each license must be applied for at least 30 days prior to the event at which the licensee wishes to conduct such games* (Section 3 of the Act). *Any willful misstatements contained in an application constitute perjury* (Section 4 of the Act). An organization applying for a charitable games license must submit the following information in addition to the completed application form:

- 1) Documentary evidence sufficient to show that the organization meets the eligibility requirements of subsection (a) above. Such documentation must include, when applicable, a copy of the organization's by-laws, constitution, charter, minutes of past meetings, promotional materials, and Articles of Incorporation;
- 2) A copy of the letter or any other document issued to the organization by the Internal Revenue Service showing that the organization is currently exempt from federal income taxation under Section 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(8), 501(c)(10) or 501(c)(19) of the Internal Revenue Code;
- 3) Information, on the form for that purpose, supplied by the Department or on additional sheets attached to the form, concerning all of the members, volunteers, and employees of the organization who will participate in the management or operation of the charitable games events to be conducted under the license. This information shall include the names, addresses, social security numbers, and dates of birth of all persons who will participate in the management or operation of the games, along with a sworn statement made under penalties of perjury, signed by the presiding officer and secretary of the applicant, that the persons listed as participating in the management or operation of the games are bona fide members, volunteers, or employees of the applicant, that these persons have not participated in the management or operation of more than four charitable games events conducted by any licensee in the calendar year, and that these persons will receive no remuneration or compensation, directly or indirectly, from any source, for participating in the management or operation of the games. Any amendments to this listing, including a list of additional members, volunteers and employees who will participate in the management or operation of the charitable games events, must contain an identical sworn statement. If, from the information provided, the Department cannot determine with reasonable certainty that a member, volunteer, or employee does not have a criminal record which would make the organization ineligible for a license under Section 435.150, the Department will require such member, volunteer or employee to submit to fingerprinting in order to make a more certain determination as to the lack of a criminal history of the member, volunteer, or employee. Information concerning additional members, volunteers, and employees must be received by the Department in writing at least 3 days before the event and must contain all the information required in this subsection (b)(3);
- 4) If the organization will be using charitable games equipment which it owns, it must include with its application for a charitable games license an application for a charitable games equipment ownership permit. The application for such permit must be on the form prescribed by the Department, and must be

accompanied by an application fee of \$50. On the permit application, the organization must list all charitable games equipment it owns and certify that all such equipment has the name of the organization permanently affixed thereto in a clearly visible location. Such permits shall be valid indefinitely. However, an organization possessing a permit must file an annual report with the Department that includes a listing of its inventory of charitable games equipment. This report must be filed by January 30 of each year. An organization holding a charitable games equipment ownership permit *may lend such equipment without compensation to other licensed organizations without applying for a supplier's license* (Section 6 of the Act);

- 5) A diagram of the areas where the charitable games are to be played, showing the approximate location of each game, the location at which chips will be sold and redeemed (the bank), and the location of all doorways entering into the areas;
  - 6) If the organization will not be conducting its charitable games events on premises which it owns, or at which it has its principal office or conducts activities for which it is organized, the organization must submit with its application a copy of a written, signed lease with the person or organization holding the license to provide the premises on which the charitable games events will be conducted. No charitable games license will be issued for any dates not expressly stated in such lease;
  - 7) Any other information requested by the Department which is necessary to establish the eligibility of the organization for a charitable games license;
  - 8) A report on a form provided by the Department accounting for the disposition of the gross charitable games proceeds for the organization's most recent license year;
  - 9) *The application shall be signed by the presiding officer and the secretary of the applicant organization, who shall attest under penalties of perjury that the information contained in the application is true, correct and complete* (Section 4 of the Act).
- c) Licenses. *A licensee may hold only one charitable games license* (Section 3 of the Act). A charitable games license will be issued for as many as four dates during a license year. These dates may be consecutive, or separate, or some combination thereof. The license must state at what location each game will be conducted.
- 1) Addition of new event dates or changes in established event dates and times. Although applicants are not required to list four dates on the application, charitable games licenses which are issued for fewer than four dates must be amended to add additional dates. The Department must receive written notice of an added date, or changed date or time, at least 30 days in advance of such date.
  - 2) *Changes in established locations. In cases of changed locations, an officer of the organization must notify the Department in writing at least 60 days in*

*advance of the date on which the licensee wishes to conduct games at the alternate location. (Section 3 of the Act)*

- d) Upon receipt of a charitable games license *the licensee shall file a copy of the license with each police department or, if in an unincorporated area, each sheriff's office whose jurisdiction includes the premises on which the charitable games events are authorized under the license* (Section 4 of the Act).
- e) The Department will not issue a charitable games license for an event to be held in a municipality if the municipality or county has adopted an ordinance prohibiting such events and has filed a copy of the ordinance with the Department.
- f) A licensee must notify the Department of a change in officers within 30 days after such change. Notification must include the name, address, social security number, date of birth, race and daytime telephone number of the officer. In addition, the presiding officer and secretary will be required to sign an amended application.

(Source: Amended at 26 Ill. Reg. 3734, effective February 26, 2002)